

## Message Text

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ACTION AF-10

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C O N F I D E N T I A L ADDIS ABABA 1588

E.O. 11652: GDS

TAGS: EINV, EAID, SHUM, ET

SUBJECT: IMPLICATION OF US ACTION ON EXPROPRIATION AND HUMAN RIGHTS

REFERENCE: (A) STATE 087020 (B) 086909 (C) 085785

SUMMARY. ETHIOPIAN MINISTRY OF FOREIGN AFFAIRS OFFICIAL REJECTED AND  
DEPLORED US DECISION TO ABSTAIN ON IDA GRAIN STORAGE LOAN AND  
CHARACTERIZED IT AS "HIGH HANDED AND ILLEGAL," PARTICULARLY IN VIEW OF  
THREATS TO VOTE "NO" IN FUTURE ON GROUNDS OF UNCOMPENSATED EXPROPR-  
IATIONS AND HUMAN RIGHTS. MORE IN SORROW THAN IN ANGER, THIS LEAST  
ANTI-AMERICAN OFFICIAL IN MOFA PREDICTED THAT US ACTION WILL  
REINFORCE

POSITION OF THOSE IN ETHIOPIAN GOVT WHO ARE TOTALLY OPPOSED TO US AID  
AND IMPROVEMENT IN BILATERAL RELATIONS, NOW DESCRIBED AS "TENSE." HE  
RURTHUR PREDICTED RENEWED ATTACKS ON PERSON OF PRESIDENT CARTER IN  
LIGHT OF REMARJS IN LAGOS ON ERITREA. EMBASSY ASSESSMENT OF THIS  
LATEST EVENT WILL FOLLOW. END SUMMARY

1. POINTS IN REFTELS DELIVERED BY CHARGE TO MOFA AMERICAS  
DIVISION HEAD BERHANE DERESSE LATE AFTERNOON APRIL 5. REACTION  
WAS PREDICTABLE. IN STRONGEST LANGUAGE HEARD BY CHARGE TO DATE,  
BERHANE

"TOTALLY REJECTED US ACTION, THE SPIRIT AND LETTER OF WHICH THE PGMSE  
DEPLORES." SPEAKING POLITELY BUT IN A MANNER WHICH CLEARLY INDICATED  
HIS WORDS REFLECTED OFFICIAL PMGSE VIEWS, BERHANE STATED THAT IT WAS  
"UNFORTUNATE" THAT US HAS CHOSEN THIS "ILLEGAL" AND HIGH HANDED  
APPROACH" THROUGH THE WORLD BANK, UNDER THE CHARTER OF WHICH HE CLAI-  
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MED PROJECTS ARE TO BE CHOSEN OR REJECTED ONLY ON ECONOMIC CRITERIA.

2. TURNING TO THE COMPENSATION ISSUE, BERHANE STRESSED THAT ETHIOPIA  
IS THE ONLY COUNTRY, OR ONE OF VERY FEW, WHICH HAS FOLLOWED  
INTERNATIONAL LAW IN REGARD TO NATIONALIZATION PROCEDURES. IMMEDIAT-  
ELY AFTER NATIONALIZATION, ACCORDING TO BERHANE, ETHIOPIAN GOVT SET  
UP COMMISSION TO STUDY THE MATTER, AND IT HAS BEEN WORKING HARD EVER  
SINCE. UNDER ITS REGULATIONS, COMMISSION HAS BEEN RESPONSIVE, HE SAID

CITING CORRESPONDENCE WITH KALAMAZOO SPICE. LATER ON HE CLAIMED THAT THE COMMISSION IS "NOT SPARING ANY EFFORT TO CARRY OUT ITS OBLIGATIONS UNDER INTERNATIONAL LAW."

3. HE STRESSED COMPLICATED NATURE OF ISSUE AND STATED THAT PROBLEMS COULD BEST BE WORKED OUT BY THE FIRMS INVOLVED. HE REITERATED THAT US GOVT INVOLVEMENT IN SUCH A HIGH HANDED MANNER IS REGRETTABLE." NOT ONLY IS IT AGAINST IBRD RULES, HE SAID, IT IS AGAINST DECLARED US CONCERN FOR HUMAN RIGHTS AND ITS AIMS TO IMPROVE LIVING STANDARDS IN THE LDC'S. "WE FIND US POSITION TO BE HYPOCRITICAL," HE STATED, "ESPECIALLY REGARDING HUMAN RIGHTS, SINCE WE KNOW THE US IS CONTINUING TO ASSIST COUNTRIES CONDEMNED BY THE UN ON THE SAME GROUNDS." (HE SPECIFICALLY NOTED SOUTH KOREA AND CHILE.)

4. TELEPHONING CHARGE AT HOME LATER IN EVENING, BERHANE RAISED MOSVOLD CASE SPECIFICALLY. HE ASKED WHETHER US HAS BECOME THE "PROTECTOR OF ALL WESTERN EUROPEAN INTERESTS TOO." HE CONSIDERED OUR RAISING THE QUESTION TO BE "OUT OF PLACE" AND INSPIRED ONLY BY OUR INTEREST IN PROTECTING MULTINATIONALS, WHICH IS A CURRENTLY SENSITIVE ISSUE IN UN AND ELSEWHERE.

5. WARMING TO HIS SUBJECT DURING MAIN MEETING, AT MINISTRY BERHANE STATED THAT "UNITED STATES IS AGAIN USING A PRETEXT WHICH WE TOTALLY REJECT." HE ELABORATED BY SAYING THAT IN PREVIOUS US ABSTENTION ON AN

IBRD LOAN TO ETHIOPIA, HUMAN RIGHTS VIOLATIONS WERE CITED AS THE  
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REASON; NOW IT'S THE COMPENSATION ISSUE. THE "SHIFTING EXCUSES," HE SAID, ONLY INDICATE US UNWILLINGNESS TO ABIDE BY RECOGNIZED RULES AND PROCEDURES OF INTERNATIONAL ORGANIZATIONS, AND ITS ACTIONS "CANNOT BE TAKEN SERIOUSLY."

6. CONTINUING, BERHANE NOTED THAT "IT IS NOT FOR US TO TELL US HOW TO CONDUCT ITS RELATIONS WITH OTHER COUNTRIES, BUT WE CAN INTERPRET THIS ACTION ONLY AS ANOTHER FORM OF PRESSURE ON ETHIOPIA. WE ARE NOT SURPRISED BY THIS ACTION." HE WENT ON, "AS IN THE PAST YOU MOUNTED EVEN MORE PRESSURE IN A TIME OF CRISIS, WHEN ARMS WERE CRUCIALLY NEEDED." NOW THERE IS A PARALLEL, BERHANE CLAIMED; "YOU TAKE THIS STEP AT A TIME WHEN ETHIOPIA IS LOOKING FOR INTERNATIONAL ASSISTANCE TO REBUILD

IN THE OGADEN." WITHOUT BITTERNESS, HE ADDED, "WITH OR WITHOUT US OR WORLD BANK ASSISTANCE, WE WILL MAKE IT." QUICKLY HE ADDED, "WE WILL CONTINUE TO APPROACH THE IBRD. UNTIL IT DISQUALIFIES ITSELF."

7. RETURNING TO US-ETHIOPIAN RELATIONS IN GENERAL, BERHANE STATED THAT PMGSE FOUND IT "DIFFICULT TO TAKE SERIOUSLY ANY GESTURE OF GOODWILL" BY US. HE EXPLAINED BY NOTING PRESIDENT CARTER'S RECENT SPEECH IN LAGOS, IN WHICH HE MENTIONED "PENDING BLOODSHED IN ERITREA." THIS STATEMENT, BERHANE CONCLUDED, WAS "UNFORTUNATE," ESPECIALLY IN VIEW

OF

UNDERSTANDING REACHED DURING AARON VISIT THAT THERE WOULD BE NO RPT NO ATTACKS AGAINST PRESIDENT CARTER PERSONALLY IF HE WOULD "REFRAIN FROM MAKING ANTI-ETHIOPIAN STATEMENTS, IN FACE OF WHICH ETHIOPIA CANNOT BUT ANSWER BACK." QUIETLY CONTINUING, BERHANE STATED, "IT IS NOT FOR US TO TELL THE PRESIDENT OF THE US WHAT TO SAY OR WHERE TO SAY IT, BUT HIS USE OF AN OCCASION IN AN AFRICAN COUNTRY TO CAST ASPERSION ON PMGSE WAS UNFORTUNATE." ALLUDING TO ANTI-US ELEMENTS IN PMGSE, BERHANE NOTED (REFERRING TO HIMSELF AND A FEW OTHERS) THAT THERE ARE THOSE, "ESPECIALLY IN THIS OFFICE," WHO HAVE TRIED TO RESPOND TO AARON'S REQUEST TO EXERCISE RESTRAINT IN ORDER NOT TO AGGRAVATE "ALREADY TENSE RELATIONS." AT THIS POINT HE PICKED UP DRAFT OF MOFA RESPONSE TO PRESIDENT CARTER'S LAGOS STATEMENT WHICH HE CLAIMED HE WAS IN PROCESS OF TRYING TO MODERATE. HE INDICATED THAT

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IN LIGHT OF USG ACTION ON IDA LOAN, THIS WAS NOW ALMOST USELESS EXERCISE. IN AN OFF THE RECORD REMARK, HE ADDED, "THE CARTER ADVISERS EITHER DO NOT KNOW OR DO NOT CARE TO KNOW ABOUT THE MOOD OF THIS COUNTRY."

8. IN RESPONSE TO BERHANE, CHARGE ACKNOWLEDGED THAT RELATIONS ARE INDEED "TENSE" AND THAT US ACTION HAD NOT BEEN TAKEN LIGHTLY SINCE US IS

LOOKING FOR EVERY OPPORTUNITY TO IMPROVE THEM. NEVERTHELESS, SUCH ACTION, HE EXPLAINED, IS REQUIRED BY LAW IN THE EVENT OF EXPROPRIATIO

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NS FOR WHICH THERE IS NOT NOTICEABLE MOVEMENT TOWARD COMPENSATION. HE URGES BERHANE, AS A MAN WORKING FOR ETHIO-US DETENTE, TO TAKE SOME POSITIVE ACTION ON COMPENSATION ISSUE IN ORDER TO AVOID FURTHER IMPASSE.

9. "OFF THE RECORD" REMARKS BY BERHANE CONFIRMED EMBASSY BELIEF THAT ANTI-US ELEMENTS IN PMGSE ARE STRONGLY OPPOSED TO THE SIGNING OF ANY USAID AGREEMENTS. THE GENERAL TENOR OF BERHANE'S COMMENTS WAS THAT THIS GROUP WILL BE STRENGTHENED BY OUR DEMARCHE. BERHANE, HIMSELF, DID NOT LOOK VERY HAPPY ABOUT THE SITUATION AND COMMENTED, "THIS IS A SIGNIFICANT MOMENT IN OUR RELATIONS WHICH ONLY HISTORY CAN JUDGE." EMBASSY WILL EVALUATE MOFA REACTION UPON A LITTLE MORE REFLECTION.

MATHERON

OPS NOTE: MCN NUMBER WILL BE FORWARDED LATER.

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## Message Attributes

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